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Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 FTC-01 JUSE-00 FEA-01
AGRE-00 CEA-01 CIAE-00 DODE-00 EB-08 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
AID-05 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01
SP-02 OMB-01 /108 W
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R 270746Z APR 77
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TO SECSTATE WASHDC 4460
INFO USDOC WASHDC
AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
AMEMBASSY ATHENS
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY PARIS
AMEMBASSY SANA
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS

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E.O. 11652: N/A
TAGS: ETRD, IZ
SUBJECT: BOYCOTT

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1. SUMMARY. USINT INTERVIEWS WITH GOI OFFICIALS AND A RECENT NEWSPAPER EDITORIAL PORTEND HARDLINE IRAQI REACTION TOWARD NEW U.S. ANTIBOYCOTT LEGISLATION. END SUMMARY.

2. IN THE FIRST INTERVIEW THAT A MINISTRY OF TRADE OFFICIAL HAS GRANTED USINT OFFICER SINCE USINT'S ESTABLISHMENT, THE MINISTRY'S DIRECTOR GENERAL FOR FOREIGN TRADE RELATIONS

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REITERATED HARD IRAQI BOYCOTT POSITION. THE OFFICIAL SAID THE GOI REALIZES THAT U.S.-IRAQI DIFFERENCES OVER BOYCOTT MATTERS COULD MEAN THAT THE GOI WILL HAVE TO SETTLE FOR "SECOND BEST" IN REGARD TO SOME FOREIGN PURCHASES, BUT THAT THE GOI IS WILLING TO PAY THIS PRICE FOR ITS CONVICTIONS.

3. HE ADDED THAT THE GOI IS "STILL CONSIDERING" ITS REACTION TO PENDING U.S. ANTIBOYCOTT LEGISLATION AND THAT HE HOPED "CONSIDERATIONS OF U.S. NATIONAL INTERESTS" IN THE ARAB WORLD WOULD "MODERATE" THE LEGISLATION NOW BEING WORKED OUT IN THE U.S. CONGRESS. HE REMARKED THAT THE GOI REACTION TO NEW U.S. ANTIBOYCOTT LEGISLATION WOULD, OF COURSE, DEPEND ON THE PROVISIONS OF THE FINAL BILL SIGNED INTO LAW BUT THAT THE GOI WAS WILLING TO PAY "THE PRICE OF ITS CONVICTIONS IN REGARD TO BOTH IMPORTS AND EXPORTS."

4. COMMENT. REMARK REFERRING TO BOTH IMPORTS AND EXPORTS COULD HAVE BEEN REFERENCE TO A POSSIBLE GOI REFUSAL TO SELL CRUDE TO U.S.-BASED MULTINATIONAL OIL COMPANIES WHICH WOULD OR COULD NOT SIGN DESTINATION CLAUSE RESTRICTING RESALE. BOTH USINT AND REPRESENT-ATIVE OF MOBIL OIL COMPANY CURRENTLY IN BAGHDAD BELIEVE GOI LIKELY NOT TO CUT OFF SALES TO U.S.-BASED OIL COMPANIES IN RESPONSE TO NEW U.S. ANTIBOYCOTT LEGISLATION IF THE COMPANIES AGREE TO DESTINATION RESTRICTIONS. END COMMENT.

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5. IN REPLY TO MINISTRY OF TRADE OFFICER'S COMMENTS, USINT OFFICER SUGGESTED THAT POSITIVE CERTIFICATES OF ORIGIN, ALREADY ACCEPTED BY SOME ARAB LEAGUE STATES, COULD PROVIDE ALTERNATIVE TO CURRENT GOI BOYCOTT REQUIREMENTS. OFFICIAL SAID THAT THE GOI INTENDED TO CONTINUE STRICTLY TO ABIDE BY ARAB LEAGUE BOYCOTT REGULATIONS EVEN IF OTHER ARAB LEAGUE MEMBERS DID NOT; AND FROM THE GOI POINT OF VIEW, POSITIVE CERTIFICATES OF ORIGIN WERE NOT ACCEPTABLE UNDER THESE REGULATIONS.

6. IN A SEPARATE INTERVIEW, THE ASSISTANT DIRECTOR GENERAL OF THE STATE COMPANY FOR VEGETABLE OILS TOLD USINT OFFICER THAT THIS STATE COMPANY WILL LIKELY BE FORCED TO FIND ALTERNATIVE SUPPLIERS FOR THE 2-3 MILLION DOLLARS WOTH OF TALLOW, CORN OIL, CHEMICAL AND OTHER PRODUCTS WHICH IT HAS PREVIOUSLY OBTAINED FROM U.S. SUPP-LIERS. LIKE MINISTRY OF TRADE OFFICIAL, HE REJECTED SUGGESTION THAT THE GOI ACCEPT POSITIVE CERTIFICATES OF ORIGIN. WHEN USINT OFFICER THEN SUGGESTED THAT STATE COMPANY FOR VEG-

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ETABLE OILS MIGHT SEEK EXCEPTION FROM GOI BOYCOTT
REGULATIONS SO THAT IT WOULD CONTINUE TO PURCHASE U.S. PRO-
DUCTS, THE OFFICIAL SAID THAT HE MINISTRY OF TRADE WOULD
GRANT EXCEPTIONS ONLY IN SPECIAL CASES, SUCH AS THE IMPOR-
TATION OF SPARE PARTS FOR U.S.-MADE EQUIPMENT.

7. IN ANOTHER INDICATION OF GOI ATTITUDES TOWARD BOYCOTT
ISSUES, THE ENGLISH LANGUAGE NEWSPAPER "BAGHDAD OBSERVER"
CARRIED A FRONT PAGE EDITORIAL APRIL 25 ENTITLED "DOUBLE
STANDARD." IT DESCRIBED THE LEGISLATION RECENTLY PASSED BY
THE U.S. SENATE AS A "NEW HOSTILE ACT" THAT "CASTS A FORE-
BODING SHADOW OVER THE PROMISES MADE BY THE U.S. THAT IT
DESIRES AMICABLE ARAB-AMERICAN RELATIONS." EDITORIAL CLAIMED
THAT THE U.S. IS "FORGETTING CONVENIENTLY THAT IT HAD IN
THE PAST, AND DOES SO EVEN NOW, RESORT TO... MODES OF ACTION"
SIMILAR TO THE ARAB BOYCOTT OF ISRAEL.

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8. COMMENT. GOI OFFICIALS APPEAR SINCERE IN REGARDING BOYCOTT
ISSUE AS A MATTER OF PRINCIPLE AND CONVICTION. IN OUR
OPINION U.S.-IRAQI DIFFERENCES OVER BOYCOTT MATTERS WILL
LIKELY MOST SEVERELY AFFECT U.S. EXPORTS TO IRAQ OF
SO-CALLED "BREAD AND BUTTER" ITEMS, E.G. AGRICULTURAL PRO-
DUCTS, RAW MATERIALS AND OTHER RECURRING ANNUAL REQUIREMENTS
WHICH THE GOI CAN EASILY OBTAIN FROM NON-U.S. SOURCES. HOW
BOYCOTT DIFFERENCES WILL AFFECT U.S. FIRMS BIDDING FOR MAJOR
PROJECTS OR SELLING HIGH TECHNOLOGY AND BIG TICKET ITEMS
IS LESS CLEAR.
WILEY

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Concepts: GOVERNMENT REACTIONS, LEGISLATIVE BILLS, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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